

THE AGRICULTURAL SITUATION.

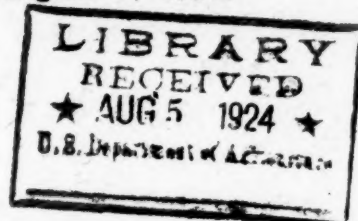
A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

Vol. VI, No. 2

August 1, 1924.

BAD WEATHER - HIGHER PRICES



In agriculture, man proposes but the weather disposes. For four years the major food crops have been so bountiful that the market has been all a buyers' market. Now we are up against a season so backward and unfavorable as to change the basic production and price situation.

Wheat harvest has worked up into the North. This is undoubtedly a better year for the wheat growers, except in the Pacific Northwest. Over much of the world and especially in Canada bread grains are shorter than last year, while our own yields are rather better. Assuming that growers will sell something over half a billion bushels of wheat, they apparently stand to get from one to two hundred million dollars more for it than last year. That means some paying of debts and easing of the strain. It is a question whether it will induce so cheerfully expansive an attitude on the part of the Wheat Belt, either financially or mentally, as some city spokesmen now prophesy.

The corn situation is by no means good. Stands are extremely spotted, many fields are full of weeds, and much of the crop is so far behind that it will need something approaching a frostless fall to mature. Corn is a feed crop; high prices mainly add to the cost of livestock production. Corn scarcity is as unprofitable to agriculture as a coal famine would be to urban industry.

The main significance of the corn situation lies in its effect on livestock production and prices of the coming year. Expensive corn this fall will presumably further the liquidation of breeding stock which is now in process. Unless history is a faithless guide, hogs and high grade cattle will be good property before this time in 1925. Of dairy cows, there are 6 per cent more in the country than last year, the increase being greatest in the West.

The South is going through critical days now but cotton bids fair to produce a larger and more evenly distributed income than last year.

All in all, this season is apparently going to give agriculture some increased economic leverage. The index of purchasing power of farm products is slowly rising; it moved up to 79 in June (relative to the year 1913 taken as 100) or 10 per cent higher than any other June in four years.

KEY REGIONS AT A GLANCE

THE EAST - Haying, tillage and wheat harvest all late. Hay fairly good. Corn backward. Oats and potatoes growing well but late. Prospect for large fruit crop. Expect a third more apples and heavier peach yield than last year. General conditions do not change materially.

THE SOUTH - Cotton rather backward but making fair growth. Been too wet in the east and too dry in Texas. Some damage by grasshoppers in west. Little weevil damage as yet. Cotton laid by west of the River. Market sentiment reacting sensitively to crop conditions. South generally looking forward to bigger and better distributed income than last year.

CORN BELT - Busy with late haying and cultivation. Corn two weeks behind. Continued reduction of hogs due to prospect of high priced feed; hog prices rising. Region heartened by rising grain prices and hoping for same in livestock.

WHEAT BELT - Harvest working up into spring wheat territory. Crop good through winter wheat States; thrashing in progress. Whole region stimulated by higher prices. Some sections in north have first decent crop in five years. Position of wheat country this fall will probably be the best since 1920.

RANGE COUNTRY - Feed conditions good except for dry areas in Wyoming, Utah and Nevada. Heavy lamb movement from latter. Wool movement has been rather slow with prices unsatisfactory. Stock generally in good condition. Irrigated crops good but water becoming scarce in certain sections.

PACIFIC COAST - Crop and feed conditions poor by reason of drought. Northern spring grain and fruit prospect much below last year. Irrigation water very low. Citrus fruits and grape crop good. Livestock being shipped out of some areas where feed is short. In general, coast territory is apparently not in as good shape as last year.

CROP PRODUCTION

The following shows production of important crops in 1913, five-year average, last year, and estimates for this year. Compiled by Division of Crop and Livestock Estimates, B. A. E.

Figures given to nearest million, six ciphers omitted.

<u>Crop</u>	<u>1913 Production</u>	<u>1918-1922 Average</u>	<u>1923 Production</u>	<u>1924 July Estimate</u>
Wheat, bu.				
Winter	523	625	572	543
Spring	240	256	213	197
All	763	881	786	740
Corn, bu.	2,447	2,899	3,046	2,515
Oats, bu.	1,122	1,303	1,300	1,356
Barley, bu.	178	186	198	170
Rye, bu.	41	78	63	65
Cotton, bales	14.1	10.9	10.1	12.1
Potatoes, bu.	332	391	412	373
Hay, all, tons	64	86	89	90
Apples, bu.	145	167	197	196
Peaches, bu.	40	44	46	54
Flax, bu.	18	10	17	26
Tobacco, lbs.	954	1,361	1,491	1,294

General crop conditions at time of July report indicated a total production per acre 6 per cent below the average of the last 10 years.

AVERAGE PRICES, AT THE FARM, OF REPRESENTATIVE PRODUCTS
Month Ending July 1, 1924.

Actual prices received at the farm by producers. Average of reports covering the United States, weighted according to relative importance of county and State. Figures compiled by Division of Crop and Livestock Estimates of this Bureau. Quotations in dollars or cents.

Shows 1913, year ago, and latest available months.

	June 1913	June 1923	May 1924	June 1924
Cotton, per lb.	¢ 11.6	25.9	28.1	27.8
Corn, per bu.	¢ 61.9	85.8	78.6	80.8
Wheat, per bu.	¢ 82.0	100.8	96.8	98.5
Hay, per ton	\$ 10.51	12.32	13.65	13.75
Potatoes, per bu.	¢ 52.5	79.8	91.3	100.7
Oats, per bu.	¢ 36.8	43.7	46.3	46.8
Apples, per bu.	¢ 101.2	188.6	131.3	159.3
Beef cattle, per 100 lbs.	\$ 6.02	5.82	5.94	5.79
Hogs, per 100 lbs.	\$ 7.61	6.37	6.68	6.55
Eggs, per dozen	¢ 16.8	20.9	19.8	21.1
Butter, per lb.	¢ 25.1	37.9	38.3	36.3
Wool, per lb.	¢ 15.6	41.5	37.4	36.0
Veal calves, per 100 lbs.	\$ 7.53	7.66	8.14	7.91
Lambs, per 100 lbs.	\$ 6.36	10.72	11.43	11.21

Products higher than the general price level, and therefore "high priced", included cotton, wool and potatoes. Products below the general price level, and therefore "low priced", included butter, corn, wheat, hay, eggs, beef cattle, hogs. Foregoing all named in order of relative price, cotton being highest, hogs lowest.

Hogs took their usual June dip in prices, reaching a very low point. The fibers receded a little in price while the grains stiffened up. The livestock situation is apparently shaping toward higher prices by and by.

PRICE INDEXES FOR MONTH ENDING JULY 1, 1924.
1913 = 100

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (Latter shown to nearest whole number.) Shows year ago, and latest available months:

Farm Products

(Prices at the farm)

	<u>June</u> <u>1923</u>	<u>May</u> <u>1924</u>	<u>June</u> <u>1924</u>	<u>Month</u> <u>Trend</u>
Cotton	209	226	224	Lower
Corn	144	132	135	Higher
Wheat	129	124	125	Higher
Hay	112	124	125	Higher
Potatoes	124	142	157	Higher
Beef cattle	99	101	98	Lower
Hogs	85	89	87	Lower
Eggs	104	103	109	Higher
Butter	140	142	139	Lower
Wool	248	224	216	Lower

Commodity Groups

(Wholesale Prices)

	<u>June</u> <u>1923</u>	<u>May</u> <u>1924</u>	<u>June</u> <u>1924</u>	<u>Month</u> <u>Trend</u>
Farm products	138	136	134	Lower
Food, etc.	142	137	136	Lower
Cloths & clothing	198	187	187	Same
Fuel & lighting	186	177	175	Lower
Metal & met. products	148	134	132	Lower
Bldg. materials	194	180	173	Lower
Chemicals, etc.	131	127	127	Same
House-furnishing goods	187	172	172	Same
<u>ALL COMMODITIES</u>	<u>153</u>	<u>147</u>	<u>145</u>	<u>LOWER</u>

RELATIVE PURCHASING POWER

(At June 1924 Farm Prices)

1913 = 100

<u>In terms of:</u>	<u>Of a Unit of:</u>				
	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	154	93	86	86	108
Cloths, etc.	120	72	67	67	84
Fuel, etc.	128	77	71	71	90
Metals, etc.	170	102	95	95	119
Bldg. materials	129	78	72	72	91
House-furnishing goods	130	79	73	73	91

	<u>Beef cattle</u>	<u>Swine</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	68	60	75	96	149
Cloths, etc.	52	47	58	74	115
Fuel, etc.	56	50	62	79	123
Metals, etc.	74	66	83	105	164
Bldg. materials	57	50	63	80	125
House-furnishing goods	57	51	63	81	126

Of this group of 10 important products, cotton, wool and potatoes were high enough in price during June so that a unit could be exchanged for other types of commodities at an indicated advantage. The exchange value of butter remains near enough to par to probably encourage production.

In general, prices of non-agricultural commodities again came down slightly while crops advanced slightly. As a result the general index of purchasing power of farm products advanced 2 points to 79 in June, the highest in 3½ years.

COLD STORAGE SITUATION

July 1 holdings (Shows nearest million, six figures omitted:)

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>July 1, 1924</u>
Creamery butter, lbs.	67	63	22	74
American cheese, lbs.	34	37	27	46
Case eggs, cases	8	10	7	9
Total poultry, lbs.	37	49	39	35
Total beef, lbs.	104	57	66	59
Total pork, lbs.	871	909	891	870
Lard, lbs.	154	124	128	153
Lamb & Mutton, lbs.	5.5	3.5	2	3
Total meats, lbs.	1,059	1,041	1,028	1,002

Butter moved into storage in volume during June, as is normal. Rather more eggs went into storage than usual for the month. Poultry, pork and beef stocks continued to decrease.

Compared with the average situation this date, stocks are very low in case of beef and lamb; about average in case of eggs, poultry, pork, and lard; high in case of cheese and butter.

The general storage situation reflects the return of more normal balance between production and demand. It still tends to strengthen the position of lamb and beef producers, while the opposite is true of dairy products.

GENERAL TREND OF WAGES AND PRICES

1913 = 100

Year and Month	General Wage Level	Farm Wages	Retail Price of Food	Wholesale Price of Food	Wholesale Price All Commodities
	N.Y. factory workers (1914=100)	(Monthly without board)	Dept. of Labor	Dept. of Labor	Dept. of Labor
1913	---	100	100	100	100
1914	100	99	102	102	98
1915	103	99	101	105	101
1916	116	108	114	121	127
1917	131	133	146	167	177
1918	188	155	168	188	194
1919	188	186	186	207	206
1920	226	214	203	220	226
1921	206	143	153	144	147
1922	201	138	142	138	149
1923	218	155	146	144	154
<u>1923</u>					
January	210	133	144	141	156
February	207	---	142	141	157
March	216	---	142	143	159
April	216	147	143	144	159
May	221	---	143	144	156
June	223	---	144	142	153
July	221	159	147	141	151
August	217	---	146	142	150
September	220	---	149	147	154
October	222	161	150	148	153
November	221	---	151	148	152
December	224	---	150	147	151
<u>1924</u>					
January	223	151	149	143	151
February	222	---	147	143	152
March	226	153	144	141	150
April	222	157	141	137	148
May	217	---	141	137	147
June	218	159	142	136	145

GENERAL TREND OF PRICES

1913 = 100

Year and month	Farm Price Crops 15th of month	Farm Price Livestock 15th of month	Farm Price Crops and Livestock Combined	Wholesale price of Non-Agrl. Commodities*	Purchasing Power of Farm Products#
1913	100	100	100	100	100
1914	108	103	106	94	112
1915	110	95	102	97	106
1916	124	111	118	132	89
1917	208	164	186	176	106
1918	224	192	208	186	112
1919	234	198	216	195	111
1920	238	168	203	234	86
1921	109	107	108	161	67
1922	113	111	112	163	69
1923	136	103	120	167	72

1923

January	126	106	116	170	68
February	130	107	118	172	69
March	134	106	120	175	69
April	139	107	123	176	70
May	140	105	123	172	71
June	139	100	120	168	71
July	136	102	119	165	72
August	136	102	119	163	73
September	138	109	123	164	75
October	139	103	121	161	75
November	137	97	117	160	73
December	137	94	116	158	73

1924

January	140	97	119	160	74
February	141	98	120	162	74
March	138	100	119	161	74
April	140	102	121	159	76
May	139	103	121	157	77
June	142	102	122	155	79

* Department of labor "All Commodities", excluding farm products and food.

Farm product index divided by index of non-agrl. commodities.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	472,011
1922 "	413,106	378,598	44,067	23,218	22,364	530,601
1923 "	386,430	271,858	55,330	23,211	22,025	549,207
1923 Jan.	38,002	37,526	5,306	1,876	1,636	40,613
" Feb.	21,533	31,901	4,492	1,427	1,366	33,839
" Mar.	22,081	24,710	4,928	1,502	1,430	41,575
" Apr.	21,785	16,836	4,318	1,670	1,447	40,825
" May	17,457	10,809	4,524	1,900	1,794	54,617
" June	18,217	14,610	4,204	1,629	1,426	76,403
" July	36,435	18,515	4,181	1,903	1,661	64,086
" Aug.	63,012	20,845	3,714	2,214	1,800	47,831
" Sept.	44,196	18,355	3,607	2,295	2,659	41,907
" Oct.	38,380	16,541	4,816	2,802	3,465	38,558
" Nov.	36,576	23,280	5,416	2,182	1,816	33,774
" Dec.	28,756	37,930	5,825	1,810	1,526	35,179
1924 Jan.	15,548	30,594	6,253	1,888	1,697	37,689
" Feb.	20,165	44,689	5,335	1,457	1,412	40,474
" Mar.	17,434	29,405	4,833	1,556	1,367	44,371
" Apr.	10,374	17,926	4,374	1,751	1,348	43,670
" May	16,039	15,988	4,321	1,890	1,344	57,462
" June	16,877	17,392	4,296	1,673	1,550	77,891

Somewhat less wheat but more corn came to market in June than during same month last year.

Receipts of hogs and cattle almost identical with last year. Hog receipts normally fall off after June until the fall runs begin in late October.

Butter shows marked increase in receipts above the previous month but only slightly above June last year.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1922 12 months	232,302	430,908	631,452	766,950	734,118	6,114
1923 January	12,519	41,309	74,432	107,786	86,938	474
" February	12,197	24,380	64,488	89,056	75,023	360
" March	10,725	31,688	66,441	109,187	75,933	318
" April	10,195	40,141	68,528	85,475	77,963	260
" May	14,396	28,421	64,608	93,199	72,606	160
" June	12,881	49,730	59,473	64,605	68,799	215
" July	12,822	44,105	64,264	69,479	74,127	172
" August	19,929	33,480	69,194	83,758	80,112	244
" September	22,465	37,646	76,911	83,630	88,833	689
" October	18,652	44,949	72,341	76,378	83,183	774
" November	12,147	49,381	71,947	74,251	85,069	767
" December	12,991	49,270	76,263	98,578	89,890	846
1923 12 months	171,919	474,500	828,890	1,035,382	958,475	5,279
1924 January	12,143	47,579	79,067	132,758	90,430	547
" February	10,019	39,183	81,108	99,910	90,462	482
" March	9,374	61,172	66,695	100,726	74,464	332
" April	8,418	59,219	57,546	73,307	64,474	321
" May	7,206	39,661	45,584	62,648	51,427	326
" June	10,257	52,614	44,145	59,475	49,807	231

Cotton and tobacco exports hold up strongly. Somewhat less wheat and pork left the country in June than same month last year, though the trade is still moderately heavy.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; mutton and lamb.

Includes linters.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1923 June	1924 May	1924 June	Month's Trend
PRODUCTION				
Pig iron daily (Thou. tons)	122	84	68	Decrease
Bituminous coal (Millions tons)	---	31	30	Decrease
Automobiles shipped (Thou. carloads)	---	35	26	Decrease
CONSUMPTION				
Cotton by mills (Thou. bales)	542	414	350	Decrease
Unfilled orders Steel Corp. (Thou. T.)	6,386	3,628	3,262	Decrease
Building contracts (Millions dollars)	323	358	331	Decrease
Hogs slaughtered (Thousands)	2,810	2,735	2,852	Increase
Cattle " "	990	1,141	1,030	Decrease
Sheep " "	791	723	903	Increase
MOVEMENTS				
Bank clearing (N.Y.) (Billions dollars)	19	20	20	Unchanged
Car loadings (Weekly av., Thousands)	1,005	895	901	Increase
Mail order sales (Millions dollars)	25	27	27	Unchanged
Men employed, N. Y. State Factories (Thou.)	555	503	489	Decrease
Av. price 25 indus. stocks (Dollars)	106	106	109	Higher
Interest rate (4-6 Mo. Paper)	4.88	4.23	3.91	Lower
Retail Food Price Index (Dept. Labor)	144	141	142	Higher
Wholesale Price Index (Dept. Labor)	153	147	145	Lower

Business is quiet, especially that involving future commitments. The general trend of production and trade appears still on the down-grade.

The stock market has advanced lately, affording hope that this may foreshadow a revival in business later on. So far as the day-to-day needs of the country go, they may presumably be counted on to sustain fair general trade activity and to increase it in the fall. But that great vacuum of war-time shortages in automobiles, textiles and railway equipment has been filled and the building and construction shortage is rapidly being caught up. A slump was logical and we are getting it.

Farm products will, perhaps, not find so active an urban market this fall as last. However, as things look now, this may be largely offset by shorter supplies of some of the major foodstuffs.

THE SITUATION IN VARIOUS KEY STATES

(From Reports of State Statisticians of this Bureau)

IOWA - A 20 per cent reduction in Iowa's corn production for 1924, and a reduction of only 11 per cent in the 1924 spring pig crop are the outstanding features of the Iowa situation at this writing, (July 19.) Unless August and September are warmer than usual, and moderately dry, there will be a large proportion of soft corn this fall. The spring pigs will save this soft corn, but relatively little will be left for fall pigs, and the 1925 spring farrowings.

As a result, the price of corn on Iowa farms is around \$1.00 per bushel, and the public markets are receiving a heavy run of hogs, which are being disposed of at a higher price than a year ago. The packers seem to be expressing a bullish sentiment through their distributing agents. They advanced the price of pork products 10 days ahead of the advance on the hog market.

The high price of corn points to a continuation of the corn-hog ratio, as unfavorable to hogs. As a result we can look for a heavy reduction in the fall pig crop, and undoubtedly a greater reduction in the spring pig crop of 1925 than would have been the case with an average corn crop this year. This presents an unusual opportunity at the present time for the alert ambitious farmer to get ahead. He can choose the best spring gilts at bottom prices now; and increase his 1925 spring farrowings with a more than even chance that hogs in the fall of 1925 will be worth more than the corn fed them.

If the average corn outlook results in the low yield indicated, and history repeats itself, there will be an increased acreage and a much higher yield in 1925. --Charles F. Sarle.

NEBRASKA - The general farm outlook is slightly more encouraging than it has been for a long time. Advanced prices of grain have removed a little of the pessimism that has prevailed since 1920. If livestock producers were given a little more encouragement, the present situation could be classed as favorable. Hog production has declined to normal or perhaps slightly less. On the other hand dairying has increased nearly 9 per cent during the past 12 months. The readjustment of acreage has been marked and seems to be near the proper balance. The winter wheat area has been reduced 1,000,000 acres or nearly 25 per cent since 1922, and most of this has been planted to corn. The greater part of the remainder has been seeded to tame hay and pasture, mostly alfalfa, sudan grass and sweet clover.

Crop prospects are fairly favorable. While corn has been reported as being 15 days behind its usual stage for July 15, part of this could still be made up under favorable weather. The July 1 condition exceeded the average of the leading Corn Belt States by several points and with the semi-arid conditions over part of the corn area, the State has a better chance to mature its crop than the average Corn Belt State. The wheat crop will be 50 per cent larger than last year's crop and is exceeding previous expectations. The oats crop is good and exceeds the average crop about 10 per cent. Barley was injured by drought but is still far

above the average. Wild hay will be light, but tame hay has a chance to equal last year's production. Pastures are good, the dry condition in western sections has increased the quality, and since pastures here are understocked, grass is plentiful. -- A. E. Anderson.

WISCONSIN - With the exception of corn, this year promises to be a good crop year in Wisconsin. Hay is good all over the State, with very heavy and rather infrequent yields in much of the intensive dairy regions of the State. One week of good haying weather has put at least a part of the crop in the barns in excellent condition. Small grains are especially promising. There is little hope of ripe corn but much of the corn acreage is grown for silage. Potatoes and tobacco need normal August weather.

Cream and milk checks are materially smaller than last year. Bankers state that checks are cashed promptly and little is left for deposit. Expenditures and current incomes are running close together. -- Paul O. Nyhus.

NORTH DAKOTA - Temperatures first half of July almost ideal for small grains, which have escaped heat and rust damage in a period when bulk of such damage usually occurs. Rainfall, while not as favorable, sufficient in eastern third and western third where present prospect favorable for yields approaching those of 1915 crop. Central third after week of dry weather now shows some signs of spotted damage but rains here will help and present prospect better than last year and average.

Harvest on average two weeks behind with rye still 10 days from cutting. Cold weather retarding ripening but making somewhat better filling than expected. Wheat starting to fill in eastern third but still in heading stage elsewhere indicating harvest not before August 10th to 15th which is quite late. Early oats and barley near harvest in southern half and promising large yields.

Flax crop on greatly expanded acreage looks better than in any recent year but needs favorable weather for late seeded.

Potato crop somewhat better than average. Corn too backward to hold much promise for grain except in southern third of State. With promise of combination of good yields and good prices for grain the present situation is very encouraging to the North Dakota farmer who in recent years has been adjusting his program to dollar wheat and relatively low yields, it being now probable that an unexpected margin will be available. -- J. G. Diamond.

TEXAS - Scattered rains and showers have fallen which greatly helped conditions in those places that were favored. A general rain is urgently needed. Little has suffered so far except corn and gardens which have been badly hurt by the hot, dry season. The small grain harvest is drawing to a close; the yields have been very good and the grain of high quality. Despite the decreased acreage, the production is greater than in 1923.

The second hay crop is being put up under favorable conditions and cutting wild hay has begun. Cotton has made improvement since the weather has become more seasonable, but still continues late. Where too dry, growth is at a standstill, elsewhere the plants are fruiting and growing satisfactorily. Weevil have become more numerous, but few complaints come

from any section except the south where the picking season is well started. Grasshoppers are gradually coming under control.

Shipments of livestock this fall will depend largely upon the state of the market and the disposition of the banks in the matter of liquidation. The condition of the corn crop in the Corn Belt is also a factor in its bearing upon the feeder market. However, just now the prospects for rain to restore the range in the dry sections is of immediate interest. Prices are discouraging. Sheep and goats have continued doing well, the lamb and kid crops have been good and the wool and mohair clips were heavy and of good quality.

This year's crops are being made at a greater expense than usual owing to the amount of replanting necessary, the cost of poisoning grasshoppers and weevil, the high wages and price of feed and the extra hiring necessary due to delayed cultivation and chopping. On July 1 the ratio of farm labor supply to demand was 87.8 per cent as against 87.5 per cent on June 1, both supply and demand increasing slightly.

New construction work in the cities is showing a decline, business failures have been fewer in number and demand for bank credit is much below last year's. Buying by retailers continues to be very conservative and banks report a decrease in check transactions. Farm implement sales have exceeded those of the first half of 1923 by over 50 per cent. A good general rain would give encouragement to everyone. -- H. H. Schutz.

ILLINOIS - The most pronounced feature of Illinois agricultural situation this month is the sharp upward swing in grain prices. This, with improved crop prospects, hardening prices for hogs and better grades of cattle, with the easier farm labor situation, represents an unusual combination which has served to liven up returning confidence in the agricultural industry.

Nearly all Illinois crops show improved prospects, though growth is one to two weeks late. Moderate to cool temperature with ample soil moisture have favored normal ripening of grains.

Harvest well advanced; heads well filled, quality mostly favorable. Threshing begun in south. Wheat yields vary from light to excellent; slightly below average for the State due to thinning of stands in wheat Belt by winter kill. Oats are a large crop of good quality.

Corn prospect on increased acreage shows marked improvement but many fields continue to show handicap of late planting and unfavorable conditions for cultivation in June. Growth varies sharply and will average two weeks late. Outcome of half of crop dependent on favorable fall conditions. Moderate crop prospects at best.

Hay and pasture conditions favorable; quality of much hay lowered by rains. Scattered rain interruptions to haying and corn cultivation have dragged this work into the harvest rush. Other farm work has made good progress.

Apples and pears about half crop; peaches good crop in few southern counties poor or failure elsewhere; melons fail but late berries and vegetables abundant.

Old grain reserves light. Rising corn prices have resulted in rather heavy cattle and hog receipts for this time of year but future hog receipts will be less burdensome due to diminishing farm numbers. Cattle supplies on farms holding up and sheep increasing. Little change in sheep, dairy and poultry products prices from last month. Livestock condition reports generally favorable. -- A. J. Surratt.

WASHINGTON - This State has experienced an extremely dry season to date, with a few periods of very hot weather. Both east and west of the Cascades the spring was practically without rain. Some rain is reported to have fallen west of the Cascades within the last week and this should be of benefit to pastures and perhaps to potatoes and other vegetables, but it came too late to aid hay crops to any extent. Non-irrigated crops east of the Cascades will be light this season due to the prolonged drought. Pastures and ranges in this section are very dry and livestock are beginning to show the effects of poor grazing conditions.

The harvesting of winter wheat is well started. The yields per acre will average much below normal this season. Spring wheat was injured to a marked degree by the drought and heat; some fields are being cut for hay or used for pasture, as they were too poor to be harvested for grain. The prospective oats and barley crops are light. Irrigated potatoes are doing quite well but the non-irrigated crop is not in good condition. Poor stands of non-irrigated potatoes are reported in some districts and the crop is needing rain badly. Hay crops have suffered from drought and the total outturn is expected to be rather light.

Commercial apples on July 1 promised about 24,500 cars as compared with approximately 38,000 cars in 1923. Apples are sizing very well at the present time. The peach crop is quite light, due to winter-injury and late freezes this spring. Pears are growing satisfactorily but there appear to be many frost marks on the crop in those sections where spring freezes did considerable damage. Fresh prunes promise a very small crop, while the dried prune crop is expected to be a little smaller than that of 1923. -- G. S. Ray.

COLORADO - The harvesting of winter grains and alfalfa has been facilitated by the dry weather and a good quality of hay assured according to reports of the United States Division of Crop and Livestock Estimates. Especially spring grains and to some extent other growing crops are being badly damaged by the drought that has prevailed since June 1. Unless general rains come soon the production of dry land crops will be seriously cut. Irrigation water is generally holding out well in most sections. Reservoir supplies are generally ample. Grasshoppers are numerous in much of the plains section of the State and poisoning of them is being resorted to as a check. The farm labor supply is about equal to the demand. -- W. W. Putnam.

FOREIGN DAIRY COMPETITION STILL TO BE RECKONED WITH

P. F. Brookens, Division of Statistical Research, B. A. E.

For the time being, our butter markets are practically free from such foreign supplies as have been drawn in during past months over the tariff wall of 8 cents a pound to compete directly with our domestic product. Our cheese prices, discounted by a 25 per cent. ad valorem duty, continue in a rather settled way to attract record imports. Meanwhile, our exports of condensed and evaporated milk continue to dwindle while stocks accumulate.

Our butter and cheese prices can hardly be called too high, and yet foreign prices of condensed milk under conditions of heavy production obviously are too low to relieve us of our surplus. The Dutch product, whole as well as skim, displaces our condensed milk in the British market leaving us at present principally Cuba, the Philippines, and Japan. England and Germany continued in June to take the bulk of our less than 7 million pounds of evaporated milk exports. Indeed, we are left with quite literally "evaporated" milk exports when it is considered that the total for June amounting to 11,712,000 pounds is just one-tenth of our record export of 114,836,000 pounds in June, 1919.

The simple fact is that in terms of the milk equivalent of all dairy products, which must be the point of view of the dairyman himself, the United States is now definitely on an import basis. It is perfectly safe to say that we would now be receiving substantial imports of butter if it were not for the seasonal scarcity of supply in England that has manifested itself in a rise in the price of butter in London each week since the last of May. No such drop in British prices now occurs in the summer months as used to occur before the war when Great Britain did not depend so largely upon the supplies from the Southern Hemisphere. Great Britain's summer is New Zealand's winter. And little foreign fresh butter is now to be had on the English markets except Danish, Dutch, and Irish.

From our American point of view this same situation, which explains the recent disappearance of foreign butter from our market, serves also to foretell with confidence its reappearance later on when the ever larger supplies from New Zealand, Australia, and Argentina again in our autumn seek the British and other alternative markets.

Two uncertain factors in the foreign situation are German demand and Russian supply. If any renewed German buying is no more than met by renewed Russian selling, prospects are that such large world supply as will be available will make practically certain an early continuance of keen foreign competition in our market for dairy products.

MORE DAIRY COWS - FEWER HEIFER CALVES

W. F. Callander, Division of Crop and Livestock Estimates, B.A.E.

An increase of 6 per cent in the number of milk cows two years old and over, on farms in the United States for the year ended June 1, 1924, is indicated by the milk cow survey of the United States Department of Agriculture, which was made by the rural mail carriers, covering 121,000 farms. This is the first survey relating to milk cows which has been made by rural carriers so that similar comparisons for previous years are not available. The survey also included inquiries as to the number of heifers between one and two years of age, and heifer calves under one year of age being raised for milk cows, and indicated for the farms covered that there were 24.6 per cent as many heifers between one and two years of age as there were dairy cows but only 21.8 per cent as many heifer calves.

The census of 1920, which was taken as of January 1, 1920, showed 20.6 per cent as many dairy heifers one to two years years of age, as dairy cows, while the present survey shows 24.6 per cent as many heifers, which would indicate a tendency either to increase the herds during the coming year more rapidly than was the case four years ago, or to a more rapid turn-over. Subsequent surveys will throw additional light on this question. In six States, Massachusetts, Rhode Island, Connecticut, New Jersey, Michigan, and Minnesota, the percentage of heifers to cows was lower in the present survey than on the census date in 1920. The fact that the census data were gathered as of January 1 and the present survey was made as of June 1 should be considered in making a comparison of percentage of heifers to cows, it being pointed out in this connection that the majority of heifers one to two years of age at the time of the 1920 census were nearly two years of age, while for the present survey the majority had probably just passed one year of age.

All main geographic divisions show increases in number of milk cows, ranging from 1.4 per cent for the North Atlantic States to 14.3 per cent for the Far Western States. Four States, however, show slight decreases, viz., New Hampshire, Massachusetts, New Jersey and Delaware. The next survey will be made as of December 1.

States	Cows and heifers 2 yrs. and over, June 1, 1924 compared with June 1, 1923.	Heifers $\frac{1}{2}$ yrs. old as a per cent of cows and heifers 2 yrs. and over, June 1, 1924.	Heifer calves under 1 yr. as a per cent of cows and heif- ers 2 yrs. and over, June 1, 1924	Heifers $\frac{1}{2}$ yrs. old as a per cent of cows and heifers 2 yrs. and over January 1, 1920. #
	Per cent	Per cent	Per cent	Per cent
N. Atlantic	101.4	19.2	15.3	18.0
S. Atlantic	106.6	27.0	21.0	20.3
E. N. Central	105.0	21.9	19.1	20.4
W. N. Central	108.8	25.6	23.9	21.6
S. Central	104.2	29.6	26.7	21.5
Far Western	114.3	27.0	26.2	21.6
United States	106.1	24.6	21.8	20.6

THE DAIRY SITUATION

RECEIPTS			IMPORTS AND EXPORTS					
	Butter 4 markets	Cheese Wisconsin	B u t t e r			Cheese		
			Imports	Exports	Net	Imports	Exports	Net
June, 1924	75,194	35,373	744	457	287	4,534	328	4,534
June, 1923	73,520	30,001	2,933	460	2,473	6,703	372	5,931
Inc. or Dec.	+1,674 or	+2,372 or			-2,186			-1,397
Per cent	2.3%	7.9%						

RECEIPTS JAN. 1-JUNE 0			TOTAL STORAGE HOLDINGS			CON. MILK STOCKS		
	Butter 4 markets	Cheese Wisconsin		Butter	Cheese			
1924	383,999	129,513	July 1/24	74,446	62,024	July 1/24	286,994	
1923	274,583	121,018	" 1/23	62,768	48,738	" 1/23	190,343	
Increase	+9,416 or	+8,495 or		+11,678 or	+13,296		+96,651 or	
Per cent	3.4%	7.0%		or 18.6%	27.0%		50.0%	

	Cr. Butter	Cheese	Condensed Milk	Milk Powder
Increased net imports	5,725	2,177		
Production increase(est.)	18,832	12,871		
Total gross increase	24,557	15,048	Increased stocks on	Increased stocks
Increase in storage	11,678	13,296	July 1/24 96,651	on 7/1/24 7,834
Increased consumption	12,879	1,752	lbs. or over 50%	lbs. or 120%

(000 omitted in all above figures)

The month of June began with rather short pasture, due to lack of rain in the West Central section and too much rain in the East. During the month the conditions were entirely changed and the month ended in the height of the flush season with good pastures, meadows and hay crops. The receipts of butter on the four principal markets exceeded the previous June by over a million and a half pounds, and the receipts of cheese on the Wisconsin markets also shows slight gains over June, 1923. Imports of butter decreased below the previous June, 2,186, 000 pounds and cheese imports decreased 1,397, 000 pounds. The market milk in the East was slightly below the production in 1923 as shown by receipts in cities. On the whole the month of June, 1924, produced more milk than June, 1923.

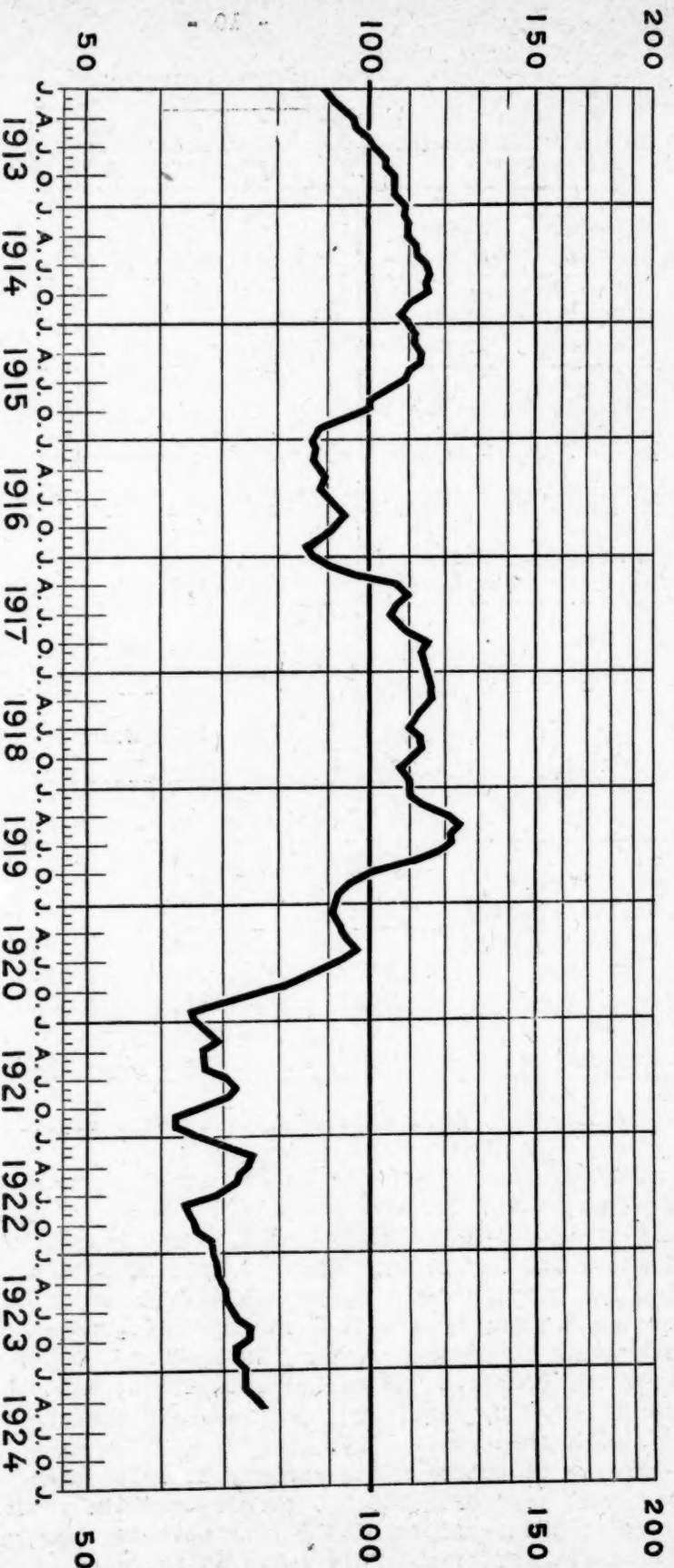
The imports of butter since January 1, 1924, have been 16,966,000 lbs. or an increase over last year of 5,728,000 pounds, and the production of butter which is practically twice the receipts of the four markets, has been 18,832,000 pounds over the same period of last year. This makes an increase of 24,557,000 pounds but as the storage holdings July 1 exceeded last year by 11,678,000 pounds it indicates that consumption increased 12,879,000 in the six months. (DIVISION OF DAIRY AND POULTRY PRODUCTS B. A. E.)

PURCHASING POWER OF FARM PRODUCTS

BUREAU OF AGRICULTURAL ECONOMICS

1913=100

U.S. DEPARTMENT OF AGRICULTURE



This curve represents the relationship between prices, at the farm, of farm products and prices, at whole-sale, of non-agricultural products, unit quantities being considered in each case. For more than three years the exchange value of farm products has been at the lowest level in a generation. Considering the year 1913 as 100, the purchasing power index averaged 67 in 1921, 69 in 1922, 72 in 1923. It is now rising; in June it stood at 79.

THE AGRICULTURAL SITUATION

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

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AUG 11 1924

August 1, 1924.

BAD WEATHER - HIGHER PRICES

In agriculture, man proposes but the weather disposes. For four years the major food crops have been so bountiful that the market has been all a buyers' market. Now we are up against a season so backward and unfavorable as to change the basic production and price situation.

Wheat harvest has worked up into the North. This is undoubtedly a better year for the wheat growers, except in the Pacific Northwest. Over much of the world and especially in Canada bread grains are shorter than last year, while our own yields are rather better. Assuming that growers will sell something over half a billion bushels of wheat, they apparently stand to get from one to two hundred million dollars more for it than last year. That means some paying of debts and easing of the strain. It is a question whether it will induce so cheerfully expansive an attitude on the part of the Wheat Belt, either financially or mentally, as some city spokesmen now prophesy.

The corn situation is by no means good. Stands are extremely spotted, many fields are full of weeds, and much of the crop is so far behind that it will need something approaching a frostless fall to mature. Corn is a feed crop; high prices mainly add to the cost of livestock production. Corn scarcity is as unprofitable to agriculture as a coal famine would be to urban industry.

The main significance of the corn situation lies in its effect on livestock production and prices of the coming year. Expensive corn this fall will presumably further the liquidation of breeding stock which is now in process. Unless history is a faithless guide, hogs and high grade cattle will be good property before this time in 1925. Of dairy cows, there are 6 per cent more in the country than last year, the increase being greatest in the West.

The South is going through critical days now but cotton bids fair to produce a larger and more evenly distributed income than last year.

All in all, this season is apparently going to give agriculture some increased economic leverage. The index of purchasing power of farm products is slowly rising; it moved up to 79 in June (relative to the year 1913 taken as 100) or 10 per cent higher than any other June in four years.

Henry Wallace

KEY REGIONS AT A GLANCE

THE EAST - Haying, tillage and wheat harvest all late. Hay fairly good. Corn backward. Oats and potatoes growing well but late. Prospect for large fruit crop. Expect a third more apples and heavier peach yield than last year. General conditions do not change materially.

THE SOUTH - Cotton rather backward but making fair growth. Been too wet in the east and too dry in Texas. Some damage by grasshoppers in west. Little weevil damage as yet. Cotton laid by west of the River. Market sentiment reacting sensitively to crop conditions. South generally looking forward to bigger and better distributed income than last year.

CORN BELT - Busy with late haying and cultivation. Corn two weeks behind. Continued reduction of hogs due to prospect of high priced feed; hog prices rising. Region heartened by rising grain prices and hoping for same in livestock.

WHEAT BELT - Harvest working up into spring wheat territory. Crop good through winter wheat States; thrashing in progress. Whole region stimulated by higher prices. Some sections in north have first decent crop in five years. Position of wheat country this fall will

RANGE COUNTRY - Feed conditions good except for dry areas in Wyoming, Utah and Nevada. Heavy lamb movement from latter. Wool movement has been rather slow with prices unsatisfactory. Stock generally in good condition. Irrigated crops good but water becoming scarce in certain sections.

PACIFIC COAST - Crop and feed conditions poor by reason of drought. Northern spring grain and fruit prospect much below last year. Irrigation water very low. Citrus fruits and grape crop good. Livestock being shipped out of some areas where feed is short. In general, coast territory is apparently not in as good shape as last year.

PRODUCTION INDICATED BY THE JULY 1 ESTIMATES

Millions of bushels:

	Forecast 1924	Harvested 1923	5-Year Average 1918-1922
Winter wheat	543	572	625
Spring wheat	197	213	256
All wheat	740	786	881
Corn	2,515	3,046	2,899
Potatoes	373	412	391
Cotton (bales)	12.1	10.1	10.9
Apples	196	197	167

MOVEMENT TO MARKET

Somewhat less wheat but more corn came to market in June than during same month last year.

Receipts of hogs and cattle almost identical with last year. Hog receipts normally fall off after June until the fall runs begin in late October.

Butter shows marked increase in receipts above the previous month but only slightly above June last year.

Receipts at primary markets, in terms of thousands:

	Wheat Th.bu.	Corn Th.bu.	Hogs Thousands	Cattle Thousands	Sheep Thousands	Butter Th. Lbs.
1923, June.	18,217	14,610	4,204	1,629	1,426	76,403
1924, "	16,877	17,392	4,296	1,673	1,550	77,891

EXPORT MOVEMENT

Cotton and tobacco exports hold up strongly. Somewhat less wheat and pork left the country in June than same month last year, though the trade is still moderately heavy.

Exports in terms of millions (cotton in thousands).

	Wheat, bu. inc. flour	Tobacco lbs.	Bacon, hams & Shoulders, lbs.	Lard lbs.	Total Meats, lbs.	Cotton run. bales
1923, June.	13	50	59	65	69	215
1924, "	10	53	44	59	50	231
1922, 12 mos.	232	431	631	767	734	6,114
1923, " "	172	475	829	1,035	958	5,279

COLD STORAGE SITUATION

Butter moved into storage in volume during June, as is normal. Rather more eggs went into storage than usual for the month. Poultry, pork, and beef stocks, continued to decrease.

Compared with the average situation this date, stocks are very low in case of beef and lamb; about average in case of eggs, poultry, pork, and lard; high in case of cheese and butter.

The general storage situation reflects the return of more normal balance between production and demand. It still tends to strengthen the position of lamb and beef producers, while the opposite is true of dairy products.

July 1 holdings, in terms of millions:

	<u>5 Year Average</u>	<u>June 1, 1924</u>	<u>July 1, 1924</u>
Creamery butter, lbs.	67	22	74
Case eggs, cases.	8	7	
Total beef, lbs.	104	66	59
Total pork, lbs.	871	891	870
Total meats, lbs.	1,059	1,028	1,002

PRICES AND PURCHASING POWER

Products higher than the general price level in June and therefore "high priced" included cotton, wool, and potatoes. Products below the general price level and therefore "low in price", included butter, corn, wheat, hay, eggs, beef cattle, hogs. Foregoing all named in order of relative price, cotton being highest, hogs lowest.

The index of purchasing power of farm products in terms of other commodities advanced two points and stood at 79. That is 10 per cent higher than any other June in four years.

BUSINESS SITUATION

Business is quiet, especially that involving future commitments. The general trend of production and trade appears still on the down-grade.

The stock market has advanced lately, affording hope that this may foreshadow a revival in business later on. So far as the day-to-day needs of the country go, they may presumably be counted on to sustain fair general trade activity and to increase it in the fall. But that great vacuum of war-time shortages in automobiles, textiles, and railway equipment has been filled, and the building and construction shortage is rapidly being caught up. A slump was logical, and we are getting it.

Farm products will, perhaps, not find so active an urban market this fall as last. However, as things look now, this may be largely offset by shorter supplies of some of the major foodstuffs.